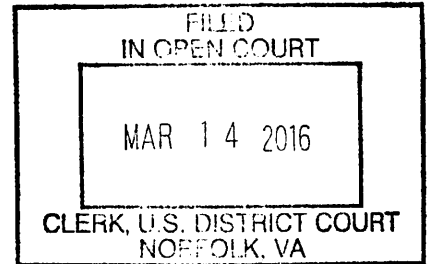


IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF VIRGINIA
NORFOLK DIVISION



UNITED STATES OF AMERICA)	
)	CRIMINAL NO. 2:10cr15
v.)	
)	
ANDYSHEH AYATOLLAHI,)	
)	
Defendant.)	

STATEMENT OF FACTS

If this case were to proceed to trial, the evidence presented by the United States would establish the following beyond a reasonable doubt:

1. The Car Store was a used car dealership located at 1092 Lynnhaven Parkway in Virginia Beach, Virginia. In or about July 2007, ANDYSHEH AYATOLLAHI, the defendant, purchased a one-half interest in the business for approximately \$350,000, and he began working at the dealership on a full-time basis.

2. From in or about July 2007 through May 2008, when the Car Store ceased doing business, the defendant conspired with others, including Car Store personnel, to defraud Navy Federal Credit Union, a financial institution with deposits insured by the National Credit Union Share Insurance Fund.

3. The defendant and Car Store personnel, acting at the defendant's direction and with his knowledge, knowingly engaged in fraudulent practices and activities in order to maximize profits to the business. Among other things, the defendant and his co-conspirators engaged in fraudulent practices and activities that included:

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(a) Using individuals as straw buyers/borrowers to apply to Navy Federal Credit Union for car loans because the actual buyers were not sufficiently creditworthy to qualify for a car loan,

(b) Submitting materially fraudulent car loan applications to Navy Federal Credit Union that falsely identified individuals as buyers/borrowers, overstated actual income and falsely reported other sources of income of the applicant,

(c) Submitting materially false documentation on behalf of loan applicants to Navy Federal Credit Union, including false pay stubs, employment information and wage and earning statements in support of fraudulent loan applications,

(d) Making telephone calls to Navy Federal Credit Union and impersonating buyers applying for car loans,

(e) Providing telephone numbers to Navy Federal Credit Union that falsely purported to be the number of a loan applicant's employer, and then impersonating the employer on the phone in order to falsely verify the applicant's employment and wages,

(f) Fraudulently inflating the true purchase price of vehicles on buyer's orders submitted to Navy Federal Credit Union in order to cause it to approve loans in an amount in excess of the true purchase price, and

(g) Splitting with buyers the loan proceeds fraudulently obtained in excess of the true purchase price of vehicles.

4. The defendant and his co-conspirators knowingly facilitated approximately 61 fraudulent car loans that were issued by Navy Federal Credit Union, with a total loan amount of \$1,168,904.97. Navy Federal Credit Union approved said loans in the belief that the information in the loan applications and supporting documents were truthful and accurate. Most of these

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loans went into default, resulting in a loss to Navy Federal Credit Union of approximately \$867,448.43.

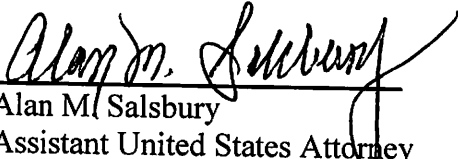
5. On or about April 14, 2006, in the Eastern District of Virginia, the defendant willfully made and subscribed a U.S. Individual Income Tax Return (Form 1040) for the calendar year 2005, which was verified by a written declaration that it was made under penalties of perjury and filed with the Internal Revenue Service. On said return, the defendant reported total income in the amount of \$73,071.00. In fact, the defendant knowingly failed to report additional income in the amount of \$54,199.00, resulting in a tax loss to the Internal Revenue Service of \$21,322.00.

6. On or about April 17, 2007, in the Eastern District of Virginia, the defendant willfully made and subscribed a U.S. Individual Income Tax Return (Form 1040) for the calendar year 2006, which was verified by a written declaration that it was made under penalties of perjury and filed with the Internal Revenue Service. On said return, the defendant reported total income in the amount of \$73,027.00. In fact, the defendant knowingly failed to report additional income in the amount of \$156,698.00, resulting in a tax loss to the Internal Revenue Service of \$50,977.00.

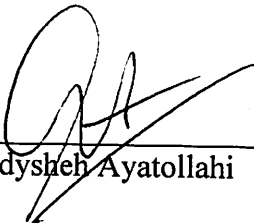
7. On or about March 21, 2008, in the Eastern District of Virginia, the defendant willfully made and subscribed a U.S. Individual Income Tax Return (Form 1040) for the calendar year 2007, which was verified by a written declaration that it was made under penalties of perjury and filed with the Internal Revenue Service. On said return, the defendant reported total income in the amount of \$63,546.00. In fact, the defendant knowingly failed to report additional income in the amount of \$119,380.00, resulting in a tax loss to the Internal Revenue Service of \$40,794.00.

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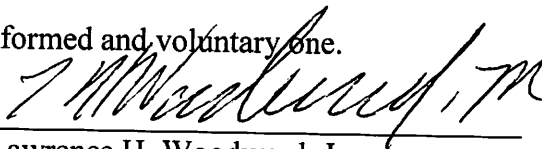
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I hereby stipulate that the above Statement of Facts is true and accurate, and that if this case had proceeded to trial, the United States would have proved the same beyond a reasonable doubt.


Andysheh Ayatollahi

I have reviewed the above Statement of Facts with Inaya Mitchell and her decision to stipulate to the accuracy of these facts is an informed and voluntary one.


Lawrence H. Woodward, Jr.
Counsel for the defendant